

**GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA**

UNSTARRED QUESTION NO:3015

ANSWERED ON:03.08.2017

Solar Power Tariffs

Hooda Shri Deepender Singh

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) whether the solar power tariffs are at the lowest levels;
- (b) if so, the details of solar power tariffs in Rs./kilowatt-hour during the last five years in the country;
- (c) whether there is any scope to further reduce the solar power tariffs;
- (d) if so, the details thereof;
- (e) whether the Government has compared the solar power tariffs in the country with the tariffs in other countries; and
- (f) if so, the details and the outcome thereof along with the reasons for higher solar tariffs in the country when compared to other countries?

Answer

THE MINISTER OF STATE FOR POWER, COAL, NEW & RENEWABLE ENERGY AND MINES (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a) & (b): The solar power tariffs discovered through bidding have recently come down to the level of Rs. 2.44/ kWh in May, 2017 for Bhadla Solar project in Rajasthan. The details of solar power tariffs in Rs./kWh during the last five years in the country are given at Annexure.

(c) & (d): Reduction in solar power tariffs depend upon several factors. These factors include solar irradiance, project cost, debt equity ratio, cost of financing, return on equity, operation and maintenance cost, Internal Rate of Return (IRR), guaranteed off take, payment guarantee etc.

(e) & (f): The solar power tariff depends on various factors like solar irradiance, cost of capital, logistics, IRR, guaranteed off take, payment guarantee, government policies. These parameters may vary from country to country and therefore direct comparison cannot be done. However, the tariffs arrived in few countries in 2016-17 are given below:

S.No Country Period Tariff

(US cent/kWh)

1 Abu Dhabi May-2016 2.99

2 Dubai May-2016 1.99

3 Chile August-2016 2.91

4 Abu Dhabi Sept-2016 2.42

5 Mexico Oct-2016 2.7
